Joseph Sterner 38

CREAL

# FEDERAL COMMUNICATIONS COMMISSION

In Re Applications of:	MT DOCKET No.:	96-41
LIBERTY CABLE CO., INC.	File Nos:	
For Private Operational Fixed )	708777	WNTT370
Microwave Service Authorization)	708778, 713296	WNTM210
and Modifications	70 <b>8</b> 779	WNTM385
j	708780	WNTT555
New York, New York	708781, 709426,	WNTM212
j	711937	WNTM212
j	709332	(NEW)
j	712203	<b>WNTW</b> 782
j	712218	WNTY584
j	712219	WNTY605
ý	713295	WNTX889
· )	713300	(NEW)
į	717325	(NEW)

#### CORRECTED COPY

Volume: 1

Pages:

1 through 52

Place:

Washington, D.C.

Date:

March 26, 1996

#### **HERITAGE REPORTING CORPORATION**

Official Reporters
1220 L Street, NW, Suite 600
Washington, D.C.
(202) 628-4888

## Before the FEDERAL COMMUNICATIONS COMMISSION Washington, D.C. 20554

In Re Applications of:	)	MT DOCKET No.:	96-41
LIBERTY CABLE CO., INC.	)	File Nos:	
For Private Operational Fixed	)	708777	<b>WNTT</b> 370
Microwave Service Authorization	)	708778, 713296	WNTM210
and Modifications	)	708779	WNTM385
	)	708780	WNTT555
New York, New York	)	708781, 709426,	WNTM212
	)	711937	WNTM212
	)	709332	(NEW)
	)	712203	<b>WNTW782</b>
	)	712218	WNTY584
	)	712219	WNTY605
	)	713295	WNTX889
	)	713300	(NEW)
	)	717325	(NEW)
	)		

Suite 201 FCC Building 2000 L Street, N.W. Washington, D.C.

Tuesday, March 26, 1996

The parties met, pursuant to the notice of the Judge Richard L. Sippel, at 09:38 a.m.

BEFORE: HON. Richard Sippel

Administrative Law Judge

#### APPEARANCES:

#### On behalf of the Liberty Cable:

ROBERT L. BEGLEITER, Esquire Constantine & Partners 909 Third Avenue New York, New York 10022 (212) 350-2707

#### APPEARANCES (Continued):

ROBERT L. PETTIT, Esquire Wiley Rein & Fielding 1776 K Street, N.W. Washington, D.C. 20006 (202) 429-7019

## On Behalf of the Wireless Telecommunications Bureau:

KATHLEEN C. POWER, Esquire
JOSEPH PAUL WEBER, Esquire
MARK L. KEAM, Esquire
Enforcement Division
Wireless Telecommunications Bureau
2025 M Street, N.W.
Washington, D.C. 20554
(202) 418-1317

## On Behalf of the Time Warner Cable and Paragon Cable Manhattan Cablevision:

ARTHUR H. HARDING, Esquire CHRISTOPHER G. WOOD, Esquire R. BRUCE BECKNER, Esquire Fleischman and Walsh, L.L.P. 1400 Sixteenth Street, N.W. Washington, D.C. 20036 (202) 939-7900

### On Behalf of Cablevision of N.Y. City-Phase I and Cablevision of Hudson County, Inc.:

CHRISTOPHER A. HOLT, Esquire Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. 701 Pennsylvania Avenue, N.W. Washington, D.C. 20004 (202) 434-7300 INDEX

VOIR WITNESSES: DIRECT CROSS REDIRECT RECROSS DIRE

None.

EXHIBITS

<u>IDENTIFIED</u> <u>RECEIVED</u> REJECTED

<u>Liberty Cable</u>:

None.

Hearing Began: 9:38 a.m. Hearing Ended: 10:46 a.m.

1	Ρ	R	0	С	E	$\mathbf{E}$	D	Ι	N	G	S	

- JUDGE SIPPEL: Good morning. This is a pre-hearing
- 3 conference, our first pre-hearing conference, in the matter
- 4 of Liberty Cable Company. This is my first opportunity to
- 5 speak to the assembled group here and I'm going to ask you
- first to introduce yourself as counsel, your full counsel
- 7 complement, starting with the, starting with the Bureau.
- 8 MR. WEBER: For Wireless Telecommunications Bureau,
- 9 Joseph Weber, Katherine Power and Mark Keam.
- 10 JUDGE SIPPEL: Okay. Good morning.
- MR. KEAM: Good morning.
- MS. POWER: Good morning.
- JUDGE SIPPEL: And Liberty Cable.
- 14 MR. BEGLEITER: Robert Begleiter and Robert Pettit.
- JUDGE SIPPEL: Okay. Good morning. And we have,
- let's see, Time Warner.
- MR. BECKNER: Bruce Beckner, Arthur Harding, Chris
- 18 Wood.
- 19 JUDGE SIPPEL: Okay. Fine. And there's one other
- 20 party.
- 21 MR. HOLT: It's Cablevision.
- JUDGE SIPPEL: Cablevision, yes.
- MR. HOLT: New York City Phase I and Cablevision of
- 124 Hudson County, Inc., Your Honor. My name is Christopher
  - 25 Holt from the law firm of Mintz, Levin, Cohn, Ferris,

- 1 Glovsky and Popeo.
- JUDGE SIPPEL: Thank you, Mr. Holt. Good morning.
- 3 I've received a copy of only one notice of appearance. Are
- 4 the notices of appearances taken care of or will they be
- 5 taken care of?
- 6 MR. PETTIT: I hope it's ours, Your Honor.
- JUDGE SIPPEL: Actually, it's not. It's
- 8 Mr. Harding's. I mean, that's the only one that's come to
- 9 me. I'm not saying that this hasn't been done.
- 10 MR. BEGLEITER: I have seen them for all the
- 11 parties, Your Honor.
- JUDGE SIPPEL: Have you?
- MR. BEGLEITER: Yes.
- 14 JUDGE SIPPEL: All right. So they will get to me
- 15 eventually.
- MR. HOLT: Cablevision's was filed on Friday.
- JUDGE SIPPEL: On Friday. They'll work their way
- 18 to me. That's okay. That's a housekeeping item. All
- 19 right. Let me just start off by saying that I want to get
- 20 everything, I'm very impressed with the, with the joint
- 21 report that came in and I'm prepared to rule. I want to get
- 22 these items that you've outlined firmed up as best as
- 23 possible today and I want to alert you that I'm going to be
- 24 out of town.
  - 25 Starting tomorrow, I'll be in South Carolina on an

- 1 Alcohol, Tobacco and Firearms case. And then I'm going up
- 2 to Indiana to visit my daughter. So I'm going to be out of
- 3 town starting tomorrow and I won't be back actually in the
- 4 office until the 4th of April. Chief Judge Sturme will be
- 5 here and will be able to handle anything of an emergent
- 6 nature and I wouldn't expect that that would happen.
- I see the way that the issues here, there's
- 8 basically three factual issues and each of those three
- 9 factual issues apply to each of the 15 applications and
- there is a special temporary authority with respect to those
- 11 stations. So in one sense it's a rather, it's rather
- 12 simplistic in terms of how it can be approached. I
- understand when we get into cross examination, I may rue
- 14 those words. But in terms of the structure of the
- 15 litigation of this case, it should be very capable of
- 16 keeping it under control.
- So you've given me what I need. You've given me
- dates and you've given me things to do. Is there -- well,
- 19 let me make one other preliminary comment. That is I take
- 20 it that settlement is not in the cards in a situation like
- 21 this. We've got misrepresentation/candor that we're going
- 22 to have to resolve no matter how we do it, whatever else we
- 23 do with this case. So I'm not expecting that you're out
- 24 discussing settlement at this time certainly.
- Is there anything else now that anybody else wants

- 1 to say with respect to what we're going to do this morning?
- 2 Yes, sir.
- 3 MR. BECKNER: Bruce Beckner for Time Warner.
- 4 There's a couple of other matters, Your Honor, that I'd like
- 5 to alert you to that are not on the report.
- JUDGE SIPPEL: Thank you.
- 7 MR. BECKNER: First, your pre-hearing conference
- 8 order directed us not to file interrogatories without your
- 9 permission. And with all due respect to you, I think that
- 10 limited interrogatories would be useful in moving the case
- along, primarily directed towards finding out who's who.
- 12 JUDGE SIPPEL: I agree. I agree and I'm going to
- 13 get to that.
- MR. BECKNER: Okay.
- JUDGE SIPPEL: Everything that's on your joint
- 16 report I'm going to, as I say I'm ready to rule on. And I'm
- favorably impressed with everything that's there.
- 18 MR. BECKNER: The second thing that I want to
- 19 mention is that we have prepared in draft form and I'm going
- 20 to circulate in a day or so a proposed stipulated protective
- order which will govern the use of disclosure of all the
- 22 discovery materials in this case. And by that I mean
- interrogatory answers if any, documents produced and
- 24 deposition transcripts. Because I anticipate that at least
- for Liberty's side they will be concerned about the impact

- on the business of publicity of some of this material. And we want to forestall those concerns at the outset.
- 3 So if it's all right with you, we're going to be
- 4 circulating the proposed draft to everyone else with the
- 5 idea that we hope we can come up with an agreed upon order
- to present to you, probably when you return on the 4th that
- 7 will again if we can all agree on its terms facilitate fast
- 8 discovery.
- 9 JUDGE SIPPEL: What does the Bureau have to say
- 10 about that?
- 11 MR. WEBER: We've not yet seen a draft of their
- 12 order. However, the Bureau has entered it into similar
- orders previously where parties are concerned about what
- 14 they're turning over in discovery becoming open in public
- and the Bureau has entered into such agreements. And at
- this point we'd be willing to entertain such a proposal.
- 17 JUDGE SIPPEL: All right. Here's where I come out
- on it. Basically, I don't have any problem with the going
- 19 forward in discovery and respecting the confidentiality,
- 20 particularly documents which may never need to see the light
- of day. But once we get into putting these things into
- 22 evidence, this is a public hearing. They're going to come
- in if they're relevant.
- MR. BECKNER: The proposed order that we drafted
- 25 regulates only discovery and expressly does not purport to

- 1 regulate anything that happens at the hearing. Because we
- 2 understand obviously that the question of public
- 3 availability of evidence at the hearing is -- this is solely
- 4 directed towards discovery and not towards anything that
- 5 relates to the hearing.
- JUDGE SIPPEL: All right. In principle, I don't
- 7 have any problem with that. I want to see, of course, what
- 8 it looks like. And again as a general proposition, unless
- 9 there's a privilege involved with the document of some sort,
- 10 I wouldn't expect to see the documents in discovery anyway.
- Or a motion to produce or something. Of course, something
- 12 of that nature.
- But as a general principle it's going to be between
- 14 counsel, between parties. And, you know, I think that in
- 15 situations like this that protection of business secrets are
- 16 a good idea.
- MR. BECKNER: The third matter I want to bring to
- 18 your attention, and I'm not sure from your pre-hearing order
- 19 exactly what you know and that is in the context of document
- 20 requests. As we are doing with the interrogatories, we will
- 21 also do with document requests. And that is we will work
- 22 with the other parties to avoid duplicating requests.
- One of the things that's going to come up very
- 24 quickly is the so-called internal audit report that Liberty
- 25 prepared some time ago and furnished the FCC last August.

1	JUDGE SIPPEL: I understand that's in the courts
2	still, is that right?
3	MR. BECKNER: We don't have it. Time Warner does
4	not have that document. Now, the FCC has said we're
5	entitled to it, but they've stayed their decision pending
6	Liberty's application for a stay in the D.C. Circuit. And
7	that application is still before the D.C. Circuit. I am
8	frankly surprised that the Court hasn't ruled on Liberty's
9	application, but they haven't.
10	I don't know that the report itself is all that
11	important. But the report I think creates issues that are
12	going to be important in the proceeding, primarily having to
13	do with attorney/client privilege and the scope of the
14	privilege and so on. Among other things, the Commission
15	ruled that the report was not protected by attorney/client
16	privilege.
17	I'm just alerting you to that situation as I think
18	I ought to. I'm not suggesting that you do anything about
19	it or we're not asking you to do anything about it at this
20	moment. But I wanted to make clear for you that we do not
21	have this internal audit report.
22	Although the Commission has said we're entitled to

stay which was why Liberty, so that they could ask the Court

it and the reason we don't is because there's a Commission

for a stay which they've done, and they did it in a timely

23

25

**~** 24

- 1 manner. And the Court just hasn't ruled.
- I would say that there might come a time when we do
- apply to you for some sort of further relief regarding that.
- 4 We did inform the Court as soon as this matter was
- 5 designated for hearing, we informed the Court that it was
- 6 designated for hearing and sent to the Court a copy of the
- 7 hearing designation order hoping that that would --
- 8 JUDGE SIPPEL: Good.
- 9 MR. BECKNER: -- stir them to action.
- JUDGE SIPPEL: Good. I think that, I have strong
- 11 feelings about that report. I think that should be here.
- 12 That should be with counsel. Now, I understand that there
- may be some irrelevancies in it. In other words, I said at
- 14 the outset what the issues are here is 15 applications,
- three substantial issues of fact. Anything that's in that
- 16 report that's relevant to those applications or issues
- 17 should be with counsel.
- Now, I obviously can't control what's being
- 19 litigated in the federal courts. But it's been all the way
- 20 up to the staff up to the Commission. And I can't, I can't
- 21 help but be convinced that there's relevant evidence there.
- MR. HOLT: Your Honor, if I could interject here.
- JUDGE SIPPEL: Yes, sir.
- MR. HOLT: Based on my reading of the papers, I
- 25 understand that the central issue before the Court and the

- issue that was addressed by the Commission was the
- 2 disclosure of the internal audit report publicly generally.
- 3 The Commission ordered that the internal audit report be
- 4 made available to the public and that ruling was appealed to
- 5 the Court. I believe that it's within your discretion to
- 6 make that internal audit report available to the parties in
- 7 this litigation subject to a protective order contingent on
- 8 what the Court does which would be entirely consistent with
- 9 keeping the document from being disseminated to the public.
- JUDGE SIPPEL: Well, Mr. Pettit or Mr. Beckner.
- MR. BEGLEITER: Let me respond to that, Your Honor.
- 12 I don't believe that that's correct. If we take a look at
- the memoranda opinion and order dated January 26th by the
- 14 FCC, in paragraph three they summarized the grounds for the
- denial of our request for confidentiality. And the very
- first ground, the nominated first, is that there was no
- 17 basis to withhold any information from Time Warner.
- 18 Rather, Time Warner was entitled to access all the
- materials filed by Liberty with its August 14th, 1995
- submission in order to allow it to effectively participate
- 21 as a party in the licensing proceeding. That's the very
- 22 first ground and that's one of the grounds that we are, we
- are appealing to the D.C. Circuit.
- 24 MR. HOLT: Your Honor, if I may respond. Access to
- 25 Time Warner would have been granted pursuant to general

- 1 public disclosure. And the issue that Liberty had raised in
- 2 defense of keeping the document confidential was that if
- 3 public disclosure was mandated, Time Warner would gain
- 4 access. So Time Warner's access did become an issue, but as
- 5 part of the general issue of public disclosure.
- So, again, it's my belief that it would be entirely
- 7 consistent for you to make the internal available to the
- 8 counsel in this case early in the proceedings so we can move
- 9 forward with discovery subject to a protective order that
- would prevent it from being disseminated publicly until the
- 11 Court rules on Liberty's application.
- MR. BECKNER: Your Honor.
- JUDGE SIPPEL: Mr. Beckner.
- 14 MR. BECKNER: Mr. Beckner for Time Warner.
- really, as I told you a few moments ago, I said that we
- might in the future come to you for some sort of relief.
- 17 And the reason that I said in the future is because I wanted
- 18 to get this protective order in place before we made that
- 19 request.
- 20 And I agree with the general thrust of Mr. Holt's
- 21 comments in the sense that the Commission's decision by its
- terms grants us the right to have that report
- unconditionally. And, and, and what we're now, what we're
- 24 coming to you for is in essence the right to have the report
- 25 subject to certain conditions which would be embodied in the

1	prote	ctive	order

23

24

25

- What I'd like to suggest is that let's get the 2 3 order in place and then we'll come to you and ask for that document subject to the protective order that's in place. 4 And at that point, I think the folks from Liberty would be 5 6 in a position to respond, you know, in a specific way to the I certainly agree with Mr. Begleiter's comment 7 that the Commission's decision refers to a public disclosure 8 9 of the report and an unconditional disclosure of the report 10 to Time Warner for purposes of litigating the licensing 11 proceeding. But what we are talking about would be in effect a conditional disclosure to Time Warner or to just 12 13 Time Warner's counsel that we would ask you for. 14 think the best thing to do if it's all right with you is to 15 get the protective order in place and then we'll come to you and ask for it after that protective order's in place. 16 at that point, I think the issues will be framed more 17 18 precisely and it will help you make the decision if we have 19 it that way. 20 That's the way the motions generally JUDGE SIPPEL: 21 come to me when you're ready to give it to me. Mr. Begleiter, what's your -- anything that you can add to 22
  - think that this would be something that -- you know what my general views are on this. I'll rule on what I think they

Heritage Reporting Corporation (202) 628-4888

I mean, I'm not pressing you on this, but I would

- ought to be obviously when it comes down to the crunch.
- 2 But I would certainly like to see you side of the
- 3 table talking to these people if there's any midway that
- 4 this can be worked out. What I'm talking about is taking
- 5 that audit report and getting the relevant information out
- of it and giving it to the lawyers in this case who are
- 7 going to be working on it. That's all I'm asking. I mean,
- 8 I'm not asking that the whole thing be turned over to the
- 9 public or anything like that.
- MR. BEGLEITER: Well, Your Honor, a good deal of
- that information which is relevant is we believe privileged.
- 12 The information that is necessary for this hearing, has
- either already been admitted by Liberty. We've admitted,
- 14 Your Honor, as you understand to the premature activation of
- this. We've admitted it. We're not backing off that
- 16 admission. We told that last week. We'll admit to that.
- 17 JUDGE SIPPEL: And there's conflicting statements
- that were filed in two jurisdictions.
- 19 MR. BEGLEITER: Yeah, we'll explain those. But
- 20 we've admitted to the major, I think to that particular
- 21 aspect of the case. With regard to relevant information
- 22 that is contained, that is necessary for this hearing, we
- 23 believe that that information can be easily gotten through
- 7 24 the normal discovery devices. We're going to be
  - 25 cooperative. We're going to give information that is, that

- is necessary. There's no denial here on the charge.
- 2 JUDGE SIPPEL: The Commission wants the case
- 3 expedited. This is what I'm thinking. It just makes sense
- 4 to me. I'm not trying to argue principal. It just makes
- 5 very practical sense. Somebody has taken a lot of time and
- 6 effort to get in there and really get the facts and pull it
- 7 all together. And, you know, we'd all like to know what the
- 8 facts are because then we can, you know. I mean, if I have
- 9 that kind of information with the parties, there's a lot of
- this other discovery that maybe I can just cut right off,
- 11 say you've already got that.
- MR. BEGLEITER: Well, Your Honor, we'll certainly
- 13 consider that. But our view, if I may, I wasn't really
- 14 planning to do this today, but our view is that we gave this
- 15 document to the enforcement people, August 14th, with the
- 16 qualified assurances, qualified of the regulations, that any
- 17 information given voluntarily. We say it's voluntary. The
- 18 Commission says it's not. And I believe that we will prove
- 19 to the D.C. Circuit that it's obviously voluntary. But
- that's not for today.
- We gave that information. We in essence, we gave
- 22 it for the purpose of assisting the enforcement, not for the
- 23 purpose of the applications. We never said we're giving you
- 24 a -- we're giving you this confidential report. Give us the
- 25 applications or grant us the stays. We never said that.

1	We said we know there's a problem here. We're
2	giving this to you, much the same way in a criminal context
3	a company might make a report to the U.S. Attorney or to the
4	local District Attorney. But we have that expectation just
5	like any other corporation would, that that is going to
6	remain within the law enforcement branch of the government.
7	Certainly if there was an independent civil action,
8	and we'll have cases that will show involving the same
9	issues, it will be difficult to compel a party to give that
10	up to the in the civil case and we think this is really
11	the same thing.
12	We've given it to enforcement. We've opened up all
13	of the embarrassing aspects of this. We gave it to assist
14	them. And no we're being told you've got to give it to our
15	primary, really our only competitor. The competition, as
16	Your Honor will hear later on, has been vicious.
17	So we are really, I mean, at this point we will
18	have to be, you know, we are waiting for word from the
19	D.C. Circuit as to whether or not we're going to have to
20	turn this over. The SEC, of course, is barred from doing
21	that. And we feel that there should be no compulsion on us
22	at this time to turn that document over to our competitor.
23	JUDGE SIPPEL: Well, you know, but I want to say
24	that I think that this is I disagree with your statement,
25	your argument, to the extent that you're saying that this

- is, this proceeding is very much akin to a civil action
- 2 between private parties. It's not. I mean, this is the,
- 3 this is the key regulatory agency that's concerned about
- 4 it's whole licensing program. What happens here can effect
- 5 what maybe happens in the industry.
- So, I mean, it is a problem and it's different than
- 7 a civil action where people are looking for money because of
- 8 some deal that went bad. And there's a lot of public
- 9 interest in the situation here that's not going to be
- 10 present in those kinds of cases. I'm just sliding back to
- 11 where I started on this.
- And I didn't want to, this was not my idea to make
- this the focus of the conference this morning because I
- 14 again want to comment all the counsel for having cooperated
- in putting that report together. But what I'm left with is
- 16 that the Commission wants the case moved and it just seems
- to me that there is out there a good piece of information
- 18 that all of us could use to move the case along. Subject,
- of course, to what you're saying.
- I'm sensitive to the fact that you've got
- 21 competitors here. But this could be done with an in camera,
- you know, you could first, you could mask out those things
- which you don't think are relevant or those things which you
- 24 need protection on.
  - I can review it in reviewing a protection order. I

- can review the full document with what you want to pare out
- and this can be done in a very orderly fashion. And
- 3 hopefully, it could be used to facilitate. Now, if I'm
- 4 wrong, I'm wrong. But that's how I see it now without
- 5 knowing any further information.
- 6 So I'm asking you to, all I'm asking you to do is
- 7 think about what I'm saying. I don't want you to, I'm not
- 8 pushing anything here that would prejudice your stay, your
- 9 argument or your status before the Federal Courts on this
- 10 issue.
- But I have no problem at all with the Federal
- 12 Courts being told what my concerns are and what my interests
- are on behalf of the Commission to get this information
- available for use in this case insofar as it's relevant.
- MR. PETTIT: If I may, Your Honor, we'll certainly
- 16 take that under advisement.
- JUDGE SIPPEL: Thank you.
- 18 MR. PETTIT: And I think the D.C. Circuit is fully
- 19 aware of what's going on in this case. I assume that the
- 20 first step is going to be perhaps in the process of
- 21 Mr. Beckner's draft protective order. So I guess we will
- 22 all wait to see that.
- 23 JUDGE SIPPEL: That's fine. And i'll look to the
- other side too. I mean, if this, if you end up cooperating
- 25 and turning over information which could arguably be, to

- which a privilege could be asserted, I would be expecting
- the other side to turn over relevant privileged information
- 3 as well. I mean I think that, you know, they talk about
- 4 all of these procedures to move hearings along. Boy,
- 5 there's one way to do it is to get rid of the privileges.
- 6 But that's a very broad statement I understand in the
- 7 context of the case. Not across the board obviously.
- 8 Okay. Is there anything else? Does the Bureau
- 9 want to add anything to this?
- MR. WEBER: At this time, Your Honor, I think this
- is really a battle the Bureau doesn't want to get in the
- middle of and we believe is also little premature. The
- Bureau like everybody else is a little surprised the Court
- has not acted yet. We expected a very quick decision from
- 15 the Court which we have not received.
- 16 We still think a decision is probably eminent and
- 17 because no requests for documents have even been filed in
- this proceeding, I think we may be a little bit early
- 19 battling over whether or not a particular document has been
- or should have been turned over yet. And we'll wait to see
- 21 whether the Court acts prior to the close of discovery and
- 22 what happens when document requests are filed and how
- 23 Liberty responds or fails to respond to those requests.
- JUDGE GIBSON: Well, that's true. This could all
- 25 be moved out really by the time we get into the real thick

- of discovery.
- MR. PETTIT: Or, Your Honor, further complicated.
- JUDGE SIPPEL: Or further complicated.
- 4 MR. PETTIT: We were expecting a guick decision as
- 5 well. I don't think we were expecting the same decision,
- 6 however. Which may certainly complicate the proceeding.
- JUDGE SIPPEL: Okay, Mr. Pettit. No, this is,
- 8 again, I didn't expect to spend this much time on it because
- 9 this is just something that's going to have to wait its
- 10 turn. But since it has been raised, I wanted to get my
- 11 views out right up front.
- 12 Let me ask one other question about this audit
- 13 report thought and one observation. It comes to mind a very
- 14 similar like this. I haven't gone back and read the cases
- and all. But in the RKO case, I think that's out of the RKO
- 16 case, really surfaced.
- 17 It was through an SEC investigation on some kind of
- illegal business that was being done overseas by the holding
- 19 company. There was litigation in the courts about whether
- 20 or not the SEC investigation could be turned over for use in
- 21 the Commission's cases. And I think, I know that eventually
- information did get, was made available.
- I'm not so sure as to whether or not there was a
- 24 wrinkle in that of how current the information was and
- 25 whether there were competitors that were, whether that

- 1 competitor interest or issue was in that case to the extent
- that it is here. But I think that there's precedent for it.
- I mean, I really don't think that these reports are
- 4 sacrosanct. They have to be handled very carefully, but I'd
- 5 just like to see it moved.
- 6 MR. WEBER: We have seen the report, Your Honor.
- JUDGE SIPPEL: Okay. All right. That's just a
- 8 comment. The other question I have is has the Bureau, you
- 9 said that this was turned over for purposes of FCC
- 10 enforcement, it was voluntarily turned over. Has the Bureau
- 11 counsel seen this report? I mean, are you all familiar with
- it? Or is this someplace outside of your --
- MR. WEBER: We have seen the report.
- JUDGE SIPPEL: You have seen the report?
- MR. WEBER: Yes.
- 16 JUDGE SIPPEL: So part of the trial counsel has
- seen it and others have not. Now, there's a twist.
- MR. PETTIT: I think it comes from the difficulty
- of having sort of a separated trial staff after the hearing
- 20 designation order.
- 21 MR. WEBER: We're not a separated trial staff,
- 22 however.
- 23 MR. PETTIT: You're certainly separated from the
- 24 Commission, I assume.
  - MR. WEBER: The entire Bureau is, not just, not

1	just	the	staff	present.

- JUDGE SIPPEL: In discussions we've had with trial
- 3 staff, we've gotten assurances that there's going to be no
- 4 use of that document that we accept those assurances in this
- 5 proceeding.
- JUDGE SIPPEL: Well, I will issue that instruction
- 7 right now. But it just strikes me as being kind of a, I
- 8 mean, this is a -- it just puts a little different twist on
- 9 this because they're going to be participating at
- depositions just as much as all the other parties are going
- to be participating in depositions. And I don't know how
- 12 you divide your, how you divide your mind that way in asking
- 13 questions. But I don't know, I don't know, I can't say
- 14 anything more except that.
- But again, my instruction is you're not to share
- 16 that information until there's been an order from either the
- 17 Commission or a Court or until you've been instructed to do
- 18 so. You're not to share that information with your
- 19 colleagues on this case in a sense. Because you are both
- 20 representing the same, you're both after the same
- 21 information, the same factual issue. I mean, your interests
- 22 are definitely combined in terms of once we're into
- litigation. Okay. Why don't I move onto -- yes, Mr. Holt?

24

25 MR. HOLT: I wanted to move onto another matter if

- 1 you were intending to head in that direction.
- JUDGE SIPPEL: Well, I'm going to, I'll tell you
- 3 what I'm going to do is I'm going to go right into an order
- 4 that I'm prepared to issue today and it's based on what
- 5 you've given me in terms of dates and what you're going to
- 6 do. Now, if you have something preliminary to that or over
- 7 and above that and you want to raise it now, I'll listen.
- 8 MR. HOLT: I think it's preliminary, Your Honor, in
- 9 the nature of a housekeeping matter. Cablevision of Hudson
- 10 County, Inc. appears to have been inadvertently omitted from
- 11 the hearing designation orders of party.
- The petition to deny a condition to grant
- 13 Liberty's, actually three of Liberty's applications that
- 14 ultimately were designated for hearing was filed jointly by
- 15 Cablevision of New York City Phase I and Cablevision of
- 16 Hudson County, Inc.
- 17 If Your Honor would like, I have date stamped
- 18 copies of that motion which I can circulate to each of the
- 19 parties and to the Court Reporter if you feel it necessary.
- 20 It appears that in the HDO, Cablevision of Hudson County was
- 21 not designated as a party and it appears that that was
- 22 inadvertent.
- 23 And so we would move under 1.223 of the
- 24 Commission's rules that Cablevision of Hudson County, Inc.
  - 25 be made a party to the proceeding.